However, in order to ensure that the rights of shareholders of listed compaies are not compromised on account of preferential issues, the SEBI (Disclosure and Investor Protection) Guidelines 2000, *inter-alia,* prescribe the pricing formula, mandatory disclosures in the explanatory statement, lock in of shares, disclosures regarding utilisaton of proceeds from the preferential issue etc. In addition, the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 have been amended with effect from 09.09.2002 to bring preferential allotments, which were previously exempted, within the purview of these regulations. Thus, a company making a preferential allotment of shares will be required to adhere to the takeover code, in addition to the SEBI (DIP) Guidelines, 2000 to provide an exit route to shareholders in case of a change in control in the company.

Irregularities in procurement of printing paper by Directorate of Printing

701. SHRI VIJAY SINGH YADAV: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to refer to the Unstarred Question No. 2456 given in the Rajya Sabha on 12th December, 2000 and state:

(a) whether an M.P. vide his letter dated 6.5.2002 had apprised the CAG about the large-scale irregularities said to have been committed by the Directorate of Printing in the procurement and consumption of 90121.244 Mt. Printing paper worth Rs. 210.46 crores;

(b) whether the CAG has made any assessment about the quantity of printing paper that could have been consumed keeping in view of utilization capacities of each printing press; and

(c) if so, what are the comments of CAG?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANAND RAO VITHOBA ADSUL): (a) Yes, Sir.

(b) and (c) A comprehensive review on functioning of the Presses having been done by the Comptroller and Auditor General in its Audit Report for the year ended March, 1999 (Report No. 2 of 2000), a fresh review was not found to be required. Some of the issues raised now will be duly kept in view by Comptroller and Auditor General at the time of next audit of the Presses and the Directorate of Printing due in 2002-03.